

Minutes of Meeting
Health Services Council
Project Review Committee-II

DATE: 28 July 2005

TIME: 3:00 PM

LOCATION: Health Policy Forum

ATTENDANCE:

Committee II: Present: Victoria Almeida, Esq., (Vice Chair), Raymond C. Coia, Esq., Maria R. Gil, Sen. Catherine E. Graziano, RN, Ph.D., Robert J. Quigley, DC, (Chair), Larry Ross, Reverend David Shire (Secretary)

Not Present: Rosemary Booth Gallogly, Wallace Gernt, Denise Panichas

Staff: Valentina D. Adamova, Michael K. Dexter, Joseph G. Miller, Esq.

Public: (see attached)

1. Call to Order and Approval of Minutes

The meeting was called to order at 3:00 PM. Minutes of the 26 May 2005 Project Review Committee - II meeting were approved as submitted. Staff noted that conflict of interest forms are available to any member who may have a conflict. The Chairman stated that due to the Open Meetings Act, the minutes of the meetings have to be available to the public by the next meeting date or within thirty-five days, whichever is sooner. The Chairman stated that because the next meeting might not occur within thirty-five days or the minutes might not be available by the next meeting time, he would ask the Committee members to vote to extend the availability of minutes beyond the time frame as provided for under Open Meeting Act. A motion was made and seconded, and the motion passed by a vote of seven in favor and none opposed (7-0) that the availability of the minutes for this meeting be extended beyond the time frame as provided for under the Open Meetings Act. Those members voting in favor were: Almeida, Coia, Gil, Graziano, Quigley, Ross, Shire.

2. General Order of Business

The first item on the agenda was the application of Roger Williams Radiation Therapy, LLC [New England Radiation Therapy Management Services, Inc. and Roger Williams Hospital] to provide radiation therapy services at 50 Maude Street in Providence. Staff stated that the capital cost of the proposal \$8,285,000 to be financed

with 83% equity and 17% debt. Staff noted that the operating cost of the proposal is \$3,494,000. Staff stated that the applicant is proposing to acquire and utilize two linear accelerators. Staff stated that Roger Williams Hospital (“RWH”) operates two linear accelerators and in May of 2005 it requested and was granted an exemption to the certificate of need requirements to replace those two linear accelerators. Staff noted that the application before the Committee is a new application and it doesn’t run through the exemption. Staff noted that the application is not for the provision of a new service but for a new provider to provide this service at Roger Williams Hospital. Staff noted that a letter in support from the Department of Veteran Affairs from Vincent Ng, Medical Center Director, was received and handed out. Staff read the following from the letter: “I strongly encourage the Health Services Council to approve this Certificate of Need application, as without question, it will improve the quality of care for all cancer patients in the region.” Staff stated that Dr. Masko, with Radiation Oncology Associates, sent an e-mail which identifies inaccuracies that need to be corrected. Staff stated that there will be a survey of existing providers of this service to get utilization data and to take a look at the types of equipment being proposed.

Mr. Zubiago, legal counsel to the applicant, introduced representatives from Radiation Therapy Services, Inc.: Dr. Rubenstein, founder of RTSI, Dr. Shafman, a radiation oncologist through a contract at RWH, and Mr. Myslicki, Director of Business Development. Mr. Zubiago introduced representatives from RWH: Dr.

Quesenberry, Director of the Cancer Center, Mr. Urciuoli, President & CEO of Roger Williams Hospital, and Mr. DeCristofano, Vice President of Corporate Planning.

Mr. Urciuoli stated that the hospital is facing an issue of access to capital and it has documented the need, over the next 15 to 20 years, to provide between \$120 to \$140 million worth of needed capital. He stated that one of the need was the replacement of linear accelerators. He noted that the hospital needed to take a look of creative ways of financing and looked at potentially establishing a joint venture and have done that with 21st Century Oncology. He stated that the hospital was granted an exemption but in order to finalize the arrangements the hospital needs approval of the joint venture. He noted that the all the current providers in the area are offering IMRT services to their patients. He stated that RWH is the only one unable to provide that.

Dr. Quesenberry made a presentation to the Committee regarding the cancer related services at RWH. The Chairman asked if the hospital had a designation from the National Institute of Health. Dr. Quesenberry stated that this is a goal of the hospital and it needs certain components in place such as a biostatistician and a biophysicist. He noted that the hospital is heading in the direction of getting the designation in the next few years. Staff inquired whether the proposal before the Committee would involve provision of all cancer service by the applicant or just radiation therapy component.

Mr. Zubiago stated that the applicant would provide only radiation therapy service and the hospital would provide all the other cancer services.

Sen. Graziano inquired if there have been any publication from RWH relative to the services already being provided. Dr. Quesenberry stated that there have been 30 to 35 publications in the last year and offered to provide a list.

The applicant made a presentation regarding the existing and proposed equipment. Rev. Shire asked whether one of the proposed linear accelerators was a gamma knife. The applicant stated that gamma knife is a very good way of giving a small area a very intense dose of radiation and that area has to be stable. In order to treat a larger area, one would have to abut to each other small circles of radiation. The proposed linear accelerator also uses pencil beam but it can move robotically around the patient to deliver radiation therapy services. Staff inquired if this type of a linear accelerator is called a cyber knife. The applicant agreed. Staff requested that the applicant explain the difference in patient treatment between a cyber knife and IMRT. The applicant stated that IMRT is great at providing a long course of fractionated radiation therapy. Cyber knife is more specifically designed for large fractions of radiation because it is precise and that's where the term radio surgery comes from.

Mr. Zubiago stated that the hospital has been given a one for one

exemption to purchase this equipment but the hospital would prefer not to do that and finance it through the joint venture. He stated that the equipment has been purchased and RWH is ready to take that equipment and assuming the CON is approved the equipment would be transferred to the joint venture and Roger Williams Radiation Therapy, LLC ("RWRT") will begin to provide the service. He stated that RWRT is Rhode Island limited liability company owned 49% by RWH and 51% by RTIS affiliate, through a wholly owned subsidiary, called New England Radiation Therapy Management Services, Inc.

Dr. Rubenstein made a presentation to the Committee regarding RTSI. The Chairman inquired as to who would be the Rhode Island licensed radiologist on-site responsible for the quality and coordination of care. Mr. Zubiago stated that currently services are being provided at RWH through a contract by Dr. Shafman. He noted that if the CON is granted then a new physician would be hired full time and the applicant is currently in the discussions with such an individual. To a question, Mr. Zubiago answered that RWH has an ownership interest in RWRT and this entity will employ any staff necessary to provide this service. He stated that the services would be provided in the same location, the only change would be who would operate the site, the legal entity. Mr. Urciuoli stated that the person that will be hired as leader of Radiation Oncology will also be appointed Chairman of the Department of Radiation Oncology at RWH. The applicant stated that regarding integration, there will be a staff person whose sole job will be to coordinate. The Chairman requested job description

information on this staff person.

Staff inquired if the scope services proposed by the join venture is different from those proposed by Southern New England Regional Cancer Center and South County Radiation Therapy. The applicant stated that it is the same proposal. Mr. Zubiago discussed the criteria for CON review. Mr. Ross asked that the applicant submit information regarding cost under the existing arrangement. He asked that the applicant provide more detail in how it anticipates having such an increase in volume.

Sen. Graziano inquired if RWH gets referrals from other hospitals that don't have such equipment, to which the response was yes. Staff inquired if the charges for IMRT and cyber knife were different than charges for similar treatment using existing equipment. The applicant stated that while the charge for IMRT is higher, it is cost effective if one realizes the number of complications and decreases in cure rate due to the old technique and compare that to the upfront cost of IMRT, IMRT is cost effective. The applicants stated that when cyber knife is used for radio surgery it replaces a major surgical procedure and that is also cost effective.

The Chairman inquired when would this equipment become operation if an approval is granted. Mr. Zubiago stated that the equipment has been ordered and the exact schedule for installation will be available in the fall. Sen. Graziano asked whether there will need to be any

renovation. Mr. Zubiago stated that there will be some upgrades done but there is no massive construction proposed. Staff noted that based on the applicant's response, cyber knife will treat patients that might have required surgery and that would not have otherwise been treated by a linear accelerator. Staff inquired how will the other machine be able accommodate the other set of patients. The applicant stated that cyber knife has an expanding role and it is a replacement for 8 weeks of IMRT. The applicant stated that cyber knife will also take conventional patients. The Chairman noted that staff will develop follow up questions to the applicant.

Dr. Keane, a radiation oncologist from Radiation Oncology Associates ("ROA") and former chief at RWH of ROA, stated that there is need for this equipment. She noted that she has questions about the scope of the services. She noted that ROA has also negotiated with the hospital to provide similar services and one of the conditions of the proposal was that ROA would also provide financing for a new cancer center that was going to be built above the radiation unit. She asked if this was still part of the plan and if it is included in this application. Mr. Urciuoli stated that this is not part of the application but at some point in the future, it is part of the master facility plan, the hospital will want to build up on top of the existing radiation oncology building and out. He noted that this is something that will be considered with 21st Oncology as a joint venture. Staff asked if beyond the material provided in the CON application, are there any other agreements or commitment that the hospital made.

Mr. Zubiago answered that were none.

There being no further business the meeting was adjourned at 4:05 PM.

Respectfully submitted,

Valentina D. Adamova